

HOUSE RESEARCH

Bill Summary

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Subject: Tax credit for long-term care insurance premiums

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Overview

Current state income tax law allows a credit against the tax for long-term care insurance premiums paid. The credit is equal to 25 percent of the premiums paid, subject to a dollar maximum and provided the taxpayer did not use them as an itemized deduction. This bill would increase the maximum allowable credit.

Section

- 1 Credit.** Amends § 290.0672, subd. 2. Increases the maximum credit against state income tax for long-term care insurance premiums. For an individual return, increases it from \$100 to \$1,000. For a married couple filing jointly, increases it from \$200 to \$2,000, subject to the limit of \$1,000 per person. Provides that the section is effective for taxable years beginning after December 31, 2006.